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RECEIVED

SEP 08 2015

DIV. OF OIL, GAS & MINING

Attorneys for the Debtor

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION**

In re:

CORNERSTONE INDUSTRIES, INC.,

Debtor.

Bankruptcy Case No. 15-26366

Chapter 11

Honorable William T. Thurman

**DEBTOR'S NOTICE OF RIGHT TO OBJECT TO PROPOSED
ABANDONMENT OF CERTAIN MINING CLAIMS WHICH HAVE
INCONSEQUENTIAL VALUE AND ARE BURDENSOME TO THE ESTATE**

PLEASE TAKE NOTICE that Debtor Cornerstone Industries, Inc. ("Cornerstone" or the "Debtor"), debtor and debtor in possession, has filed and served a notice dated September 3, 2015 (the "Notice"), of its proposed abandonment, pursuant to 11 U.S.C. § 554(a), Federal Rule of Bankruptcy Procedure 6007(a), of certain mining claims held by the Debtor located in Iron County, Utah (the "Abandoned BLM Mining Claims"), as more fully described in paragraph 3 of the Notice.

PLEASE TAKE FURTHER NOTICE that your rights may be affected. You should read this Notice of Right to Object and the Notice carefully and discuss them with your attorney, if you have one in this bankruptcy case.

PLEASE TAKE FURTHER NOTICE that, if you object to the proposed abandonment of the Abandoned Mining Claims, or if you want the Bankruptcy Court to consider your views on the Notice, then you or your attorney must file with the Bankruptcy Court and serve on the undersigned counsel for the Debtor a written objection to the Notice in conformity with Rule 9013 of the Bankruptcy Court's local rules of practice so that it is **received** no later than **Monday, September 21, 2015, at 5:00 p.m., MDT**. Your objection must be filed at:

Clerk
United States Bankruptcy Court
350 South Main Street, # 301
Salt Lake City, Utah 84101

PLEASE TAKE FURTHER NOTICE that, if you mail your objection to the Bankruptcy Court for filing, you must mail it early enough so the Court will **receive** it on or before the time and date stated above. You must also serve your objection on the undersigned counsel for the Debtor and on other parties in interest.

PLEASE TAKE FURTHER NOTICE that, if an objection to the Notice is timely filed, the Debtor will schedule a hearing on the proposed abandonment.

DATED this 3rd day of September, 2015.

DURHAM JONES & PINEGAR, P.C.

By: /s/ Kenneth L. Cannon II
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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION**

In re:	Bankruptcy Case No. 15-26366
CORNERSTONE INDUSTRIES, INC.,	
Debtor.	Chapter 11 Honorable William T. Thurman

**DEBTOR'S NOTICE OF ABANDONMENT OF CERTAIN MINING CLAIMS WHICH
HAVE INCONSEQUENTIAL VALUE AND ARE BURDENSOME TO THE ESTATE**

Debtor Cornerstone Industries, Inc. ("Cornerstone" or the "Debtor"), debtor and debtor in possession, hereby gives notice of (the "Notice") its proposed abandonment of certain mining claims held by the Debtor located in Iron County, Utah (the "Abandoned BLM Mining Claims") more fully described in paragraph 3 below. The Debtor gives this notice pursuant to 11 U.S.C. § 554(a), Federal Rule of Bankruptcy Procedure 6007(a). In support of this Notice, the Debtor respectfully states as follows:

1. Case Information and Jurisdiction. The Debtor commenced this case under Chapter 11 of the United States Bankruptcy Code by filing a voluntary petition on July 8, 2015.

2. The Debtor and Its Business. The Debtor owns a mine and a stockpile of ore consisting of approximately 80,000 tons located on mineral leases it holds from the Utah State Institutional Trust Lands Administration (the “SITLA Leases”). It is working to develop the mine and the stockpile, which contains a significant amount of precious metals. The Debtor owns the surface rights to the same real property on which the SITLA Leases are situated. The Debtor also holds rights to 56 mining claims on property owned by the United States Bureau of Land Management (the “BLM Mining Claims”), located in Iron County, Utah.

3. The Abandoned BLM Mining Claims. The Debtor has concluded, using its business judgment, that 17 of the 56 BLM Mining Claims are of inconsequential value and are burdensome to the estate and should be abandoned. These Abandoned BLM Mining Claims are contiguous to each other and are designated by the BLM as the “Highlander” claims. These seventeen Claims are defined herein as the Abandoned BLM Mining Claims. Testing has been conducted on the Abandoned BLM Mining Claims, which has not shown significant traces of precious metals on those Claims. On the other hand, tests of many of the other 39 BLM Mining Claims (designated by the BLM as the “DannyBoy” claims), which are contiguous with each other (not with the Abandoned BLM Mining Claims) and which the Debtor does not propose to abandon, have indicated amounts of precious metals sufficient to maintain and to continue development of those Claims. All of the Debtor’s active BLM Mining Claims are listed as being associated with lead serial number UMC415965. The Debtor’s abandonment of the seventeen Abandoned BLM Mining Claims has no effect on other active BLM Mining Claims held by the Debtor. The Abandoned BLM Mining Claims are the following (the first column lists the BLM serial number for the Mining Claim, the second column lists the claim name and number)

- a. UMC416004 HIGHLANDER 40
- b. UMC416005 HIGHLANDER 41
- c. UMC416006 HIGHLANDER 42
- d. UMC416007 HIGHLANDER 43
- e. UMC416008 HIGHLANDER 44
- f. UMC416009 HIGHLANDER 45
- g. UMC416010 HIGHLANDER 46
- h. UMC416011 HIGHLANDER 47
- i. UMC416012 HIGHLANDER 48
- j. UMC416013 HIGHLANDER 49
- k. UMC416014 HIGHLANDER 50
- l. UMC416015 HIGHLANDER 51
- m. UMC416016 HIGHLANDER 52
- n. UMC416017 HIGHLANDER 53
- o. UMC416018 HIGHLANDER 54
- p. UMC416019 HIGHLANDER 55
- q. UMC416020 HIGHLANDER 56

4. Inconsequential Value. The Debtor believes that there is little or no value to the Debtor's estate from the seventeen Abandoned BLM Mining Claims. The costs of maintaining these seventeen Abandoned BLM Mining Claims and the costs of extracting whatever precious metals are contained in the ore that could be removed from the Abandoned BLM Mining Claims renders these Mining Claims of inconsequential value. The costs that would have to be incurred to maintain the Abandoned BLM Mining Claims also makes them burdensome to the estate.

5. Abandonment. Because the Abandoned BLM Mining Claims are of inconsequential value and are burdensome to the estate, the Debtor is hereby providing notice of its abandonment of the Abandon BLM Mining Claims. Pursuant to section 554(a) of the Bankruptcy Code a debtor in possession may abandon any property of the estate that is

burdensome to the estate or that is of inconsequential value to the estate. Fed. R. Bankr. P. 6007(a) provides that the Debtor is to give 14 days' notice of its proposed abandonment to the United States Trustee and all creditors, and that a party in interest may file and serve an objection to the proposed abandonment within that time. If a timely objection is made, the Court is to schedule a hearing to determine whether the property proposed to be abandoned should be abandoned. If no timely objection is made, no hearing need be held and the Debtor may abandon the Abandoned BLM Mining Claims.

DATED this 3rd day of September, 2015.

DURHAM JONES & PINEGAR, P.C.

By: /s/ Kenneth L. Cannon II

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